

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

APPLICATION FOR WAIVER  
UNDER 39 C.F.R. §3030.286

Docket No. RM2022-12

**COMMENTS OF  
NATIONAL NEWSPAPER ASSOCIATION, INC.**

(August 16, 2022)

Pursuant to Commission Order No. 6244, National Newspaper Association (NNA) hereby submits comments in support of the Postal Service's application for waiver of the applicability of 39 C.F.R. §3030.283 to drop ship discounts for certain Marketing Mail products.

NNA represents community newspapers across the country that publish saturation shopper publications, High-Density Total Market Coverage products and Every Door Direct Mail publications, commonly entered at Destination Delivery Units. These various Marketing Mail publications are intended as supplements to regularly-published Periodicals. These mailings are charged a flat rate up to a breakpoint rate, and then are required to pay a pound rate beyond that point. The weights of each publication may fluctuate widely from week to week.

The Postal Service submits that the complexity of calculating benchmark price is creating volatility issues in calculating the passthroughs. In order to achieve compliance with passthrough rules, the Postal Service has found it would have to set the DDU passthrough at such a level that the dropship price for DDU-entered mail would be higher than for Destination Sectional Facility-entered mail. It requests the waiver in order to avoid creating artificially-higher DDU prices simply to comply with passthrough rules.

NNA supports the Postal Service's waiver request for two reasons. First, pushing DDU rates higher than the already-planned 2023 increases would simply aggravate a hardship for locally-based Marketing Mail publications. These publications are experiencing challenges in attracting local advertising as their customers struggle with higher labor and supply chain costs. NNA believes the average weights of mailings has trended downward in the past year, but that this trend may reverse as economic anomalies created by the pandemic are resolved. Second, the relationship between DDU and DSCF mailings should be maintained to provide maximum-possible incentives for locally-entered mail. A passthrough calculation that turns these dropship relationships on their heads has the potential to distort mailer behavior, to the detriment of the DDU and the DDU-entered mail.

The Postal Service says it is investigating new ways to calculate passthroughs. In addition, the Delivering for America plan is likely to introduce new elements into local mailers' incentives and business practices. To avoid distorted rates in 2023 as well as unnecessary adjustments until the future of this mail is clearer, NNA requests that the Commission grant the waiver request

Respectfully submitted,

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